

108TH CONGRESS  
1ST SESSION

# H. R. 3499

To provide extended unemployment benefits to displaced workers, and to make other improvements in the unemployment insurance system.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 17, 2003

Ms. HOOLEY of Oregon introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To provide extended unemployment benefits to displaced workers, and to make other improvements in the unemployment insurance system.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Emergency Unemployment Compensation Extension  
6       Act”.

7       (b) TABLE OF CONTENTS.—The table of contents for  
8       this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—TEMPORARY EXTENDED UNEMPLOYMENT  
COMPENSATION

Sec. 101. References.

Sec. 102. Extension of the Temporary Extended Unemployment Compensation Act of 2002.

Sec. 103. Entitlement to additional weeks of temporary extended unemployment compensation.

Sec. 104. Extended benefit periods.

TITLE II—UNEMPLOYMENT BENEFITS FOR INDIVIDUALS QUALIFYING  
BASED ON PART-TIME WORK OR AN ALTERNATIVE  
BASE PERIOD

Sec. 201. Federal-State agreements.

Sec. 202. Payments to States having agreements under this title.

Sec. 203. Financing provisions.

Sec. 204. Definitions.

Sec. 205. Applicability.

**1 TITLE I—TEMPORARY EX-**  
**2 TENDED UNEMPLOYMENT**  
**3 COMPENSATION**

**4 SEC. 101. REFERENCES.**

5 Except as otherwise expressly provided, whenever in  
6 this title an amendment is expressed in terms of an  
7 amendment to a section or other provision, the reference  
8 shall be considered to be made to a section or other provi-  
9 sion of the Temporary Extended Unemployment Com-  
10 pensation Act of 2002 (Public Law 107–147; 26 U.S.C.  
11 3304 note).

**12 SEC. 102. EXTENSION OF THE TEMPORARY EXTENDED UN-**  
**13 EMPLOYMENT COMPENSATION ACT OF 2002.**

14 (a) SIX-MONTH EXTENSION OF PROGRAM.—Section  
15 208 is amended to read as follows:

1 **“SEC. 208. APPLICABILITY.**

2 “(a) IN GENERAL.—Subject to subsection (b), an  
3 agreement entered into under this title shall apply to  
4 weeks of unemployment—

5 “(1) beginning after the date on which such  
6 agreement is entered into; and

7 “(2) ending before July 1, 2004.

8 “(b) TRANSITION.—In the case of an individual who  
9 is receiving temporary extended unemployment compensa-  
10 tion for the week which immediately precedes the first day  
11 of the week that includes July 1, 2004, temporary ex-  
12 tended unemployment compensation shall continue to be  
13 payable to such individual for any week thereafter from  
14 the account from which such individual received com-  
15 pensation for the week immediately preceding that termi-  
16 nation date. No compensation shall be payable by reason  
17 of the preceding sentence for any week beginning after De-  
18 cember 31, 2004.”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall take effect as if included in the enact-  
21 ment of the Temporary Extended Unemployment Com-  
22 pensation Act of 2002 (Public Law 107–147; 26 U.S.C.  
23 3304 note).

1 **SEC. 103. ENTITLEMENT TO ADDITIONAL WEEKS OF TEM-**  
2 **PORARY EXTENDED UNEMPLOYMENT COM-**  
3 **PENSATION.**

4 (a) WEEKS OF TEUC AMOUNTS.—Paragraph (1) of  
5 section 203(b) is amended to read as follows:

6 “(1) IN GENERAL.—The amount established in  
7 an account under subsection (a) shall be equal to 26  
8 times the individual’s weekly benefit amount for the  
9 benefit year.”.

10 (b) WEEKS OF TEUC–X AMOUNTS.—Section  
11 203(c)(1) is amended by striking “an amount equal to the  
12 amount originally established in such account (as deter-  
13 mined under subsection (b)(1))” and inserting “13 times  
14 the individual’s weekly benefit amount for the benefit  
15 year”.

16 (c) EFFECTIVE DATE.—

17 (1) IN GENERAL.—The amendments made by  
18 this section—

19 (A) shall take effect as if included in the  
20 enactment of the Temporary Extended Unem-  
21 ployment Compensation Act of 2002 (Public  
22 Law 107–147; 26 U.S.C. 3304 note); but

23 (B) shall apply only with respect to weeks  
24 of unemployment beginning on or after the date  
25 of enactment of this Act, subject to paragraph  
26 (2).

1           (2) SPECIAL RULES.—In the case of an indi-  
2       vidual for whom a temporary extended unemploy-  
3       ment compensation account was established before  
4       the date of enactment of this Act, the Temporary  
5       Extended Unemployment Compensation Act of 2002  
6       (as amended by this title) shall be applied subject to  
7       the following:

8           (A) Any amounts deposited in the individ-  
9       ual’s temporary extended unemployment com-  
10      pensation account by reason of section 203(c)  
11      of such Act (commonly known as “TEUC–X  
12      amounts”) before the date of enactment of this  
13      Act shall be treated as amounts deposited by  
14      reason of section 203(b) of such Act (commonly  
15      known as “TEUC amounts”), as amended by  
16      subsection (a).

17          (B) For purposes of determining whether  
18      the individual is eligible for any TEUC–X  
19      amounts under such Act, as amended by this  
20      title—

21           (i) any determination made under sec-  
22      tion 203(c) of such Act before the applica-  
23      tion of the amendments made by this title  
24      shall be disregarded; and

(ii) any such determination shall instead be made by applying section 203(c) of such Act, as amended by this title—

(I) as of the time that all amounts established in such account in accordance with section 203(b) of such Act (as amended by this title, and including any amounts described in subparagraph (A)) are in fact exhausted, except that

(II) if such individual's account was both augmented by and exhausted of all TEUC-X amounts before the date of enactment of this Act, such determination shall be made as if exhaustion (as described in section 203(c)(1) of such Act) had not occurred until such date of enactment.

**SEC. 104. EXTENDED BENEFIT PERIODS.**

(a) APPLICATION OF REVISED RATE OF INSURED UNEMPLOYMENT.—Section 207 is amended—

(1) by striking “In” and inserting “(a) IN GENERAL.—In”; and

(2) by adding at the end the following:

1       “(b) INSURED UNEMPLOYMENT RATE.—For pur-  
 2 poses of carrying out section 203(c) with respect to weeks  
 3 of unemployment beginning on or after the date of enact-  
 4 ment of this subsection, the term ‘rate of insured unem-  
 5 ployment’, as used in section 203(d) of the Federal-State  
 6 Extended Unemployment Compensation Act of 1970 (26  
 7 U.S.C. 3304 note), has the meaning given such term  
 8 under section 203(e)(1) of such Act, except that individ-  
 9 uals exhausting their right to regular compensation during  
 10 the most recent 3 calendar months for which data are  
 11 available before the close of the period for which such rate  
 12 is being determined shall be taken into account as if they  
 13 were individuals filing claims for regular compensation for  
 14 each week during the period for which such rate is being  
 15 determined, and section 203(d)(1)(A) of such Act shall be  
 16 applied by substituting ‘either (or both)’ for ‘each’.”.

17       (b) ADDITIONAL EXTENDED BENEFIT PERIOD TRIG-  
 18 GER.—

19               (1) IN GENERAL.—Section 203(c) is amended  
 20 by adding at the end the following:

21               “(3) ADDITIONAL EXTENDED BENEFIT PERIOD  
 22 TRIGGER.—

23                       “(A) IN GENERAL.—Effective with respect  
 24 to compensation for weeks of unemployment be-  
 25 ginning on or after the date of enactment of

1           this paragraph, an agreement under this title  
2           shall provide that, in addition to any other ex-  
3           tended benefit period trigger, for purposes of  
4           beginning or ending any extended benefit period  
5           under this section—

6                   “(i) there is a State ‘on’ indicator for  
7                   a week if the average rate of total unem-  
8                   ployment in such State (seasonally ad-  
9                   justed) for the period consisting of the  
10                  most recent 3 months for which data for  
11                  all States are published before the close of  
12                  such week equals or exceeds 6 percent; and

13                  “(ii) there is a State ‘off’ indicator for  
14                  a week if the requirement under clause (i)  
15                  is not satisfied.

16                  “(B) NO EFFECT ON OTHER DETERMINA-  
17                  TIONS.—Notwithstanding the provisions of any  
18                  agreement described in subparagraph (A), any  
19                  week for which there would otherwise be a  
20                  State ‘on’ indicator shall continue to be such a  
21                  week and shall not be determined to be a week  
22                  for which there is a State ‘off’ indicator.

23                  “(C) DETERMINATIONS MADE BY THE  
24                  SECRETARY.—For purposes of this subsection,  
25                  determinations of the rate of total unemploy-



1           ment in any State for any period (and of any  
2           seasonal adjustment) shall be made by the Sec-  
3           retary.”.

4           (2)     CONFORMING     AMENDMENT.—Section  
5           203(c)(1) is amended by inserting “or (3)” after  
6           “paragraph (2)”.

7     **TITLE II—UNEMPLOYMENT BEN-**  
8       **EFITS     FOR     INDIVIDUALS**  
9       **QUALIFYING BASED ON PART-**  
10      **TIME WORK OR AN ALTER-**  
11      **NATIVE BASE PERIOD**

12    **SEC. 201. FEDERAL-STATE AGREEMENTS.**

13       (a) IN GENERAL.—Any State which desires to do so  
14    may enter into and participate in an agreement under this  
15    title with the Secretary of Labor (hereinafter in this title  
16    referred to as the “Secretary”). Any State which is a party  
17    to an agreement under this title may, upon providing 30  
18    days’ written notice to the Secretary, terminate such  
19    agreement.

20       (b) PROVISIONS OF AGREEMENT.—

21           (1) IN GENERAL.—Any agreement under sub-  
22    section (a) shall provide that the State agency of the  
23    State will make payments of regular compensation  
24    to individuals in amounts and to the extent that they

1 would be determined if the State law were applied  
2 with the modifications described in paragraph (2).

3 (2) MODIFICATIONS DESCRIBED.—The modi-  
4 fications described in this paragraph are as follows:

5 (A) In the case of an individual who is not  
6 eligible for regular compensation under the  
7 State law because of the use of a definition of  
8 base period that does not count wages earned  
9 in the most recently completed calendar quar-  
10 ter, eligibility for compensation under this title  
11 shall be determined by applying a base period  
12 ending at the close of the most recently com-  
13 pleted calendar quarter.

14 (B) In the case of an individual who is not  
15 eligible for regular compensation under the  
16 State law because such individual does not meet  
17 requirements relating to availability for work,  
18 active search for work, or refusal to accept  
19 work, because such individual is seeking, or is  
20 available for, less than full-time work, com-  
21 pensation under this title shall not be denied by  
22 such State to an otherwise eligible individual  
23 who seeks less than full-time work or fails to  
24 accept full-time work.

1       (c) COORDINATION RULE.—The modifications de-  
2 scribed in subsection (b)(2) shall also apply in determining  
3 the amount of benefits payable under any Federal law to  
4 the extent that those benefits are determined by reference  
5 to regular compensation payable under the State law of  
6 the State involved.

7       **SEC. 202. PAYMENTS TO STATES HAVING AGREEMENTS**  
8                               **UNDER THIS TITLE.**

9       (a) GENERAL RULE.—There shall be paid to each  
10 State which has entered into an agreement under this title  
11 an amount equal to—

12               (1) 100 percent of any regular compensation  
13       made payable to individuals by such State by virtue  
14       of the modifications which are described in section  
15       201(b)(2) and deemed to be in effect with respect to  
16       such State pursuant to section 201(b)(1), and

17               (2) 100 percent of any regular compensation—

18                       (A) which is paid to individuals by such  
19       State by reason of the fact that its State law  
20       contains provisions comparable to the modifica-  
21       tions described in section 201(b)(2), but only

22                       (B) to the extent that those amounts  
23       would, if such amounts were instead payable by  
24       virtue of the State law's being deemed to be so

1           modified pursuant to section 201(b)(1), have  
2           been reimbursable under paragraph (1).

3           (b) DETERMINATION OF AMOUNT.—Sums under sub-  
4 section (a) payable to any State by reason of such State  
5 having an agreement under this title shall be payable, ei-  
6 ther in advance or by way of reimbursement (as may be  
7 determined by the Secretary), in such amounts as the Sec-  
8 retary estimates the State will be entitled to receive under  
9 this title for each calendar month, reduced or increased,  
10 as the case may be, by any amount by which the Secretary  
11 finds that the Secretary's estimates for any prior calendar  
12 month were greater or less than the amounts which should  
13 have been paid to the State. Such estimates may be made  
14 on the basis of such statistical, sampling, or other method  
15 as may be agreed upon by the Secretary and the State  
16 agency of the State involved.

17          (c) ADMINISTRATIVE AND OTHER EXPENSES.—  
18 There is hereby appropriated out of the employment secu-  
19 rity administration account of the Unemployment Trust  
20 Fund (as established by section 901(a) of the Social Secu-  
21 rity Act) \$500,000,000 to reimburse States for the costs  
22 of the administration of agreements under this title (in-  
23 cluding any improvements in technology in connection  
24 therewith) and to provide reemployment services to unem-  
25 ployment compensation claimants in States having agree-

1 ments under this title. Each State's share of the amount  
2 appropriated by the preceding sentence shall be deter-  
3 mined by the Secretary according to the factors described  
4 in section 302(a) of the Social Security Act and certified  
5 by the Secretary to the Secretary of the Treasury.

6 **SEC. 203. FINANCING PROVISIONS.**

7 (a) IN GENERAL.—Funds in the extended unemploy-  
8 ment compensation account (as established by section  
9 905(a) of the Social Security Act), and the Federal unem-  
10 ployment account (as established by section 904(g) of the  
11 Social Security Act), of the Unemployment Trust Fund  
12 shall be used, in accordance with subsection (b), for the  
13 making of payments (described in section 202(a)) to  
14 States having agreements entered into under this title.

15 (b) CERTIFICATION.—The Secretary shall from time  
16 to time certify to the Secretary of the Treasury for pay-  
17 ment to each State the sums described in section 202(a)  
18 which are payable to such State under this title. The Sec-  
19 retary of the Treasury, prior to audit or settlement by the  
20 General Accounting Office, shall make payments to the  
21 State in accordance with such certification by transfers  
22 from the extended unemployment compensation account  
23 (or, to the extent that there are insufficient funds in that  
24 account, from the Federal unemployment account) to the  
25 account of such State in the Unemployment Trust Fund.

1 **SEC. 204. DEFINITIONS.**

2 For purposes of this title:

3 (1) IN GENERAL.—The terms “compensation”,  
4 “regular compensation”, “base period”, “State”,  
5 “State agency”, “State law”, and “week” have the  
6 respective meanings given such terms under section  
7 205 of the Federal-State Extended Unemployment  
8 Compensation Act of 1970, subject to paragraph  
9 (2).

10 (2) STATE LAW AND REGULAR COMPENSA-  
11 TION.—In the case of a State entering into an  
12 agreement under this title—

13 (A) “State law” shall be considered to  
14 refer to the State law of such State, applied in  
15 conformance with the modifications described in  
16 section 201(b)(2), and

17 (B) “regular compensation” shall be con-  
18 sidered to refer to such compensation, deter-  
19 mined under its State law (applied in the man-  
20 ner described in subparagraph (A)),  
21 except as otherwise provided or where the context  
22 clearly indicates otherwise.

23 **SEC. 205. APPLICABILITY.**

24 An agreement entered into under this title shall apply  
25 to weeks of unemployment—

- 1           (1) beginning after the date on which such
- 2           agreement is entered into, and
- 3           (2) ending before January 1, 2005.

○